

For Division Use:
File No.: M/045/019
Effective Date: FEB 15, 2002
DOGM Lead: TM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

RECEIVED

DEC 20 2001

DIVISION OF
OIL, GAS AND MINING

TRANSFER OF NOTICE OF INTENTION
LARGE MINING OPERATIONS

--ooOoo--

1. (a) Notice of Intention to be transferred (file number): M/045/019
(b) Name of mining operation: YELLOW HAMMER PIT
(c) Location of mining operation (county): TOOELE
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):
AMERICAN CONSOLIDATED MINING
70 W. CANYON CREST RD. SUITE D
ALPINE, UTAH 84004 801-756-1414
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):
IMM
23205 Mercantile Road
Beachwood, Ohio 44122
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:
IMM
23205 Mercantile Road
Beachwood, Ohio 44122
3. (a) The total number of disturbed acres permitted and bonded under the approved Large Mining Notice of Intention: 12 Acres

- (b) Complete Appendix "A"(attached), a legal description of the approved and bonded disturbed acreage (include: Township(s), Range(s), and section(s), *to the 1/4, 1/4, 1/4 section*, and the county).
 - (c) The actual number of acres disturbed by the mining operation through the date of this transfer: 12 Acres
 - (d) Attach a topographic map (labeled as Appendix "B") of suitable scale which clearly outlines the existing disturbed area boundaries through the date of this transfer (max. scale, 1 inch = 500 ft., 1 inch = 200 ft., or larger scale is preferred). Label disturbed areas as appropriate.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety.

STATE OF Utah)
) ss.
COUNTY OF Salt Lake)

SWORN STATEMENT OF TRANSFEROR

I, Keith Moeller being first duly sworn under oath, depose and say that I am Agent (officer or agent) of American Consolidated Mining Co. (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the said application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement I certify that the Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Notice of Intention No. M 045/019.

Keith Moeller
Signature

Keith Moeller
Name (type or print)

Agent
Title

Subscribed and sworn before me this 4th day of May, 2001.

Joelle Burns
Notary Public
Residing at: Salt Lake City, Utah

My commission Expires:

4-4, 2005.

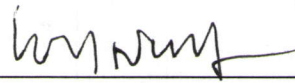




STATE OF Ohio)
) ss.
COUNTY OF Cuyahoga)

FINAL SWORN STATEMENT OF TRANSFEREE

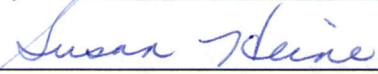
I, Philip M. Lynch being first duly sworn under oath, depose and say that I am EVP (officer or agent) of IMM (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. If the disturbed acreage is not accurate, as identified in this document, we, hereby understand that the surety may have to be adjusted after the acreage has been accurately determined. By execution of this statement, the Transferee agrees to be bound by the terms and conditions of Notice of Intention No. M/045/019, the Utah Mined Land Reclamation Act, and the Rules and Regulations promulgated thereunder.


Signature

Philip M. Lynch
Name (type or print)

EVP
Title

Subscribed and sworn before me this 19 day of DECEMBER, 20 01.


Notary Public
Residing at: 23711 Chapin Blvd

My commission Expires:

SUSAN HEINE, Notary Public
State of Ohio

My Commission Expires Sept. 23, 2002

CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant approval of same, subject to the following limitations and conditions:

- (a) This large mining permit transfer grants only the right to affect the lands as described in Appendix "A" (attached).
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety. The surety shall be effective on or before the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired the legal right to mine said lands as described in Appendix "A".
- (d) A topographic map of suitable scale is attached (as Appendix "B") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

Property was taken by bank as collateral for mortgage.
mw 5/4/01

APPROVED: *Lowell P. Braxton*
Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Effective Date: *2/15/02*
NOI No.: *110951019*

APPENDIX "A"

<u>IMM</u>	<u>YELLOW HAMMER</u>
New Operator	Mine Name
<u>M/045/019</u>	<u>TOOELE</u> County, Utah
Permit Number	

The legal description of the lands to be disturbed is (Township, Range and section(s) to the 1/4, 1/4, 1/4 section):

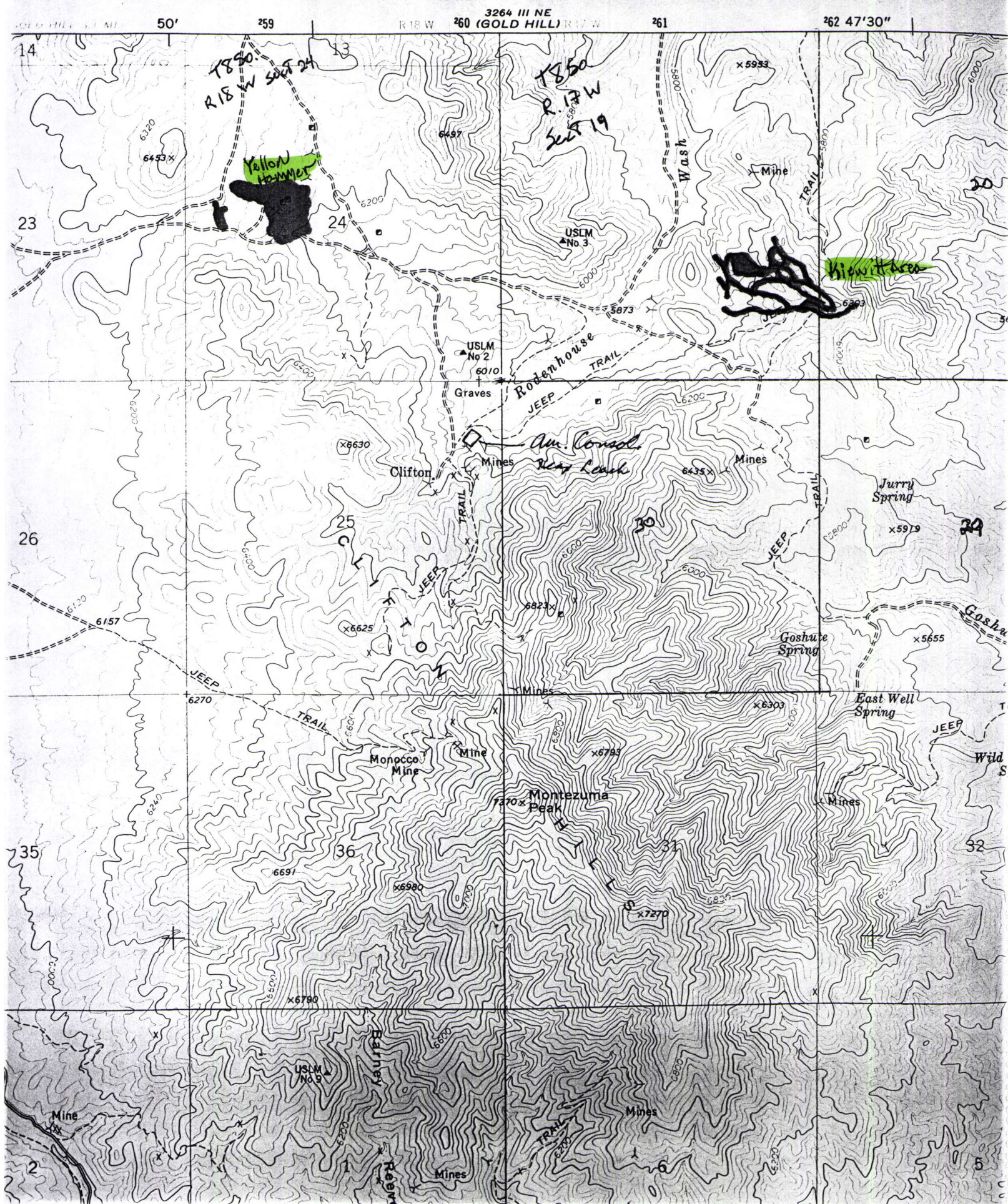
T 8th So. R. 18 W. Section 24

WEST HALF OF SECTION 24

As shown on map 8/3/89

— PHOTOS OF SITE ALSO INCLUDED

8/3/89
M/045/019
E/045/052



9/7/2000
MINE SITE INSPECTION
WAYNE HEDBERG
Tom Munson



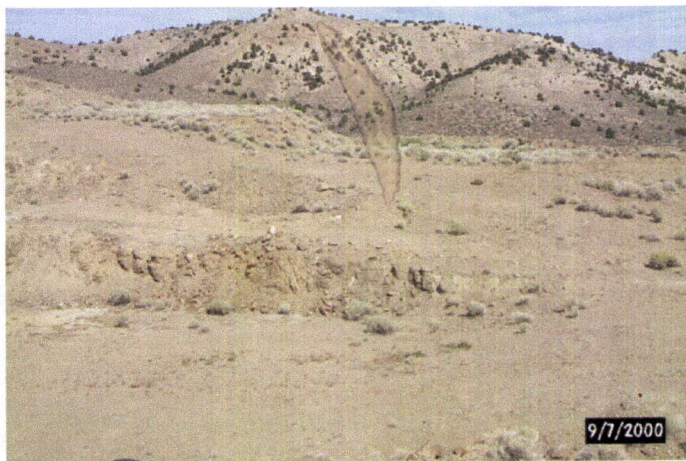
South view access road
into pit area



Northwest view of North Highwall



North Highwall



Northeast view from bottom
of pit. NE end of North
highwall.



West highwall



PIT

West Pit Highwall



North highwall

East side pit view



Bottom of Pit



Highwall (WSW)



Highwall (West view)

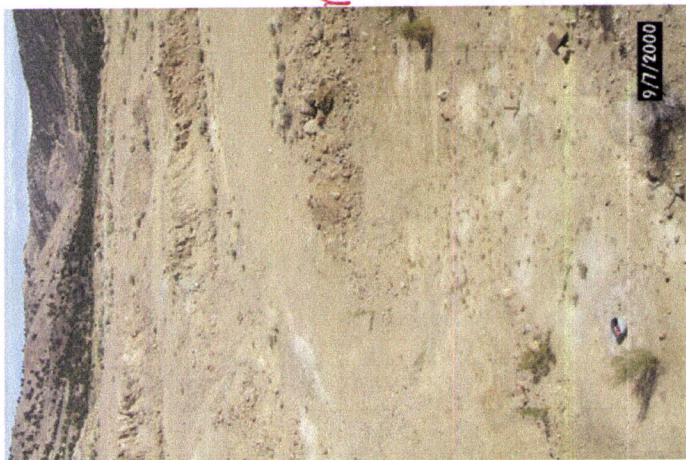


Overburden/Topsoil/Stockpiles
(North end above
highwall)

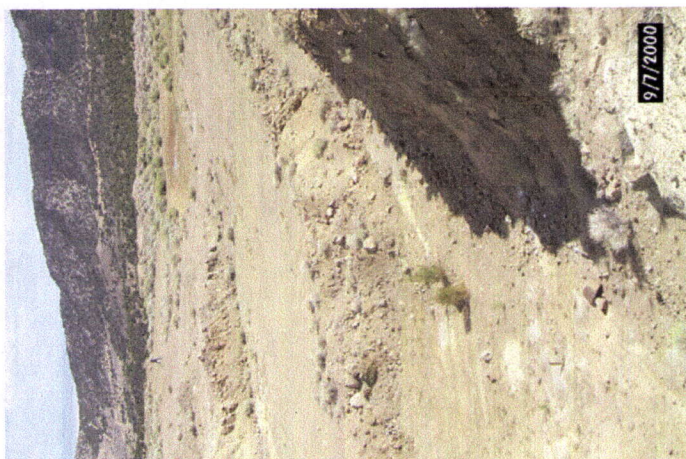
Pit 1
Highway
(North
end)



PIT
(NE View)



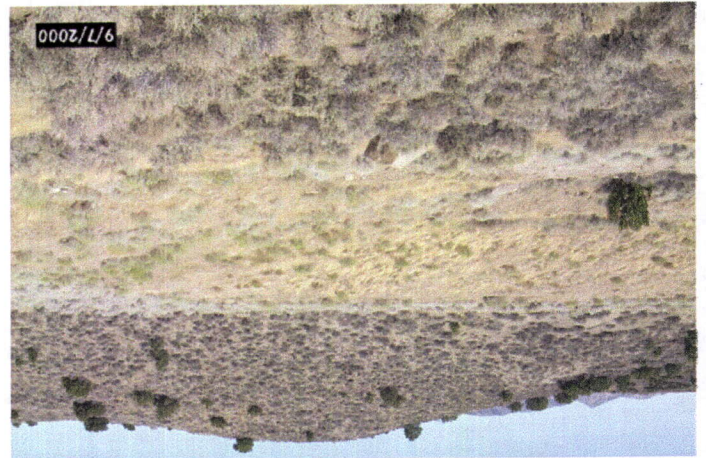
West Pit Highwall



Ore (1/2 waste rock) Stockpile



ONE UNPLUGGED DRILL HOLE



PREVIOUSLY
RECLAIMED AREA





OUTSLOPE OF DUMP



OLD DUMP OUTSLOPE FACE
(County Road in foreground)

SL TY ESTIMATE UPDATE

IMM -Dworkia Holding LTD

Yellowhammer

M045/019

Toelle County

Prepared by Utah Division of Oil, Gas & Mining

2000

DESCRIPTION:

Previous surety estimate was \$16,600 in 1993 dollars

-Reclamation Estimate base amount calculated in 1988-\$

-This update adjusts the surety amount for escalation only.

A transfer of the mine property occurred this year and therefore the bond will be escalated to 2005 dollars

-Escalation factors through 1999 are actual Means Historical Cost Indices

-Total disturbed area = 12 ACRES

CALCULATIONS		ESCAL	BOND
$F = P(1 + i)^{**n}$	YR	FACTOR	AMOUNT
	1977	0.0870	\$0
	1978	0.0710	\$0
	1979	0.0860	\$0
	1980	0.0860	\$0
	1981	0.0991	\$0
	1982	0.0940	\$0
	1983	0.0104	\$0
	1984	0.0092	\$0
	1985	0.0290	\$0
	1986	0.0210	\$0
	1987	0.0195	\$0
	1988	0.0181	\$14,850
	1989	0.0177	\$15,113
	1990	0.0077	\$15,229
	1991	0.0127	\$15,423
	1992	0.0221	\$15,763
	1993	0.0261	\$16,175
	1994	0.0321	\$16,694
	1995	0.0193	\$17,016
F = Future Sum	1996	0.0242	\$17,428
P = Present Sum	1997	0.0236	\$17,839
i = Escalation Factor	1998	0.0502	\$18,735
n = number of periods	1999	0.0200	\$19,110
	2000	0.0313	\$19,708
Three Yr Average = 3.13%	2001	0.0313	\$20,325
Used to Project 5 Yrs	2002	0.0313	\$20,961
From the Year 2000	2003	0.0313	\$21,617
	2004	0.0313	\$22,293
	2005	0.0313	\$22,991

Updated Surety Amount Rounded (2005-\$) \$23,000

** Average cost per acre = \$1,917 (\$/ACRE)